

EXHIBIT J

US Equity Research

12 December 2016

BUY↑

from HOLD

PRICE TARGET US\$28.00↑

from US\$22.00

Price (9-Dec) US\$24.78

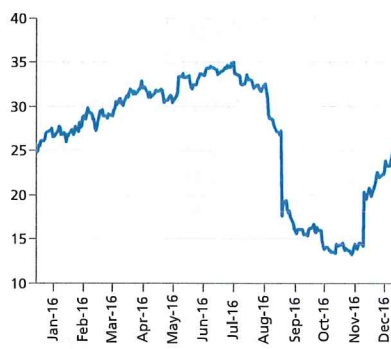
Ticker CXW-NYSE

52-Week Range (US\$):	12.99 - 35.05
Avg Daily Vol (000s) :	1,919.9
Market Cap (US\$M):	2,918
Shares Out. (M) :	117.8
Dividend /Shr (US\$):	1.68
Dividend Yield (%) :	6.8
Net Debt & Prefs (US\$):	1,428.9
Enterprise Value (US\$M):	4,347
Cash (US\$M):	76.3

FYE Dec	2015A	2016E	2017E
EBITDA (US\$M)	398.4	409.0↑	368.6↑
Previous	-	408.2	359.3
Recurring FFO / Shr (US\$)	2.69	2.61↑	2.15↑
Previous	-	2.60	2.07

Quarterly EBITDA	Q1	Q2	Q3	Q4
2015A	98.5	107.4	94.8	97.7
2016E	94.7A	106.4A	105.7A	102.1
2017E	89.0	96.0	92.8	90.8

Quarterly Recurring FFO / Shr	Q1	Q2	Q3	Q4
2015A	0.68	0.74	0.64	0.63
2016E	0.60A	0.69A	0.69A	0.63
2017E	0.52	0.57	0.54	0.52



Raising Recommendation

Upgrading CXW to BUY following dividend cut, lowered risk, and external growth opportunity

Upgrading to BUY: We are upgrading CXW from Hold to BUY, as the company has eliminated the dividend cut overhang that we had expected to limit upside to the stock previously. While this call is late, we don't think it's too late, as we continue to see material upside to the shares. CXW is up 91% from the trough, but the stock remains down 19% since the announcement of the intention to renegotiate the STFC during 2Q16 earnings on 8/3, despite only losing 15% of annual EBITDA from the STFC. Additionally, we believe that lost EBITDA could be offset by multiple expansion fueled by the elimination of political and dividend cut overhangs. Beyond that, we believe there is upside from a Trump administration on the external growth front, specifically with regard to ICE contracts, which would result in substantive earnings growth and would warrant further multiple expansion. Our call is less on valuation, but more on the elimination of overhangs and the external growth opportunity on the horizon. Additionally, we have raised our year-end 2017 price target \$6 to \$28.

Updating estimates and agency thoughts:

- **BOP:** We have updated estimates for the McRae renewal, pushing the contract out to 2018, with the expiration and removal of the contract in December 2018. We continue to forecast BOP contract losses as the contracts are due for renewal, as capacity remains less pressured for the BOP system than in past years, which gives the agency potential flexibility. We believe this to be prudent and conservative, but offering potential upside to our estimates.
- **ICE:** We don't assume any contract wins from the recent ICE surge and reports that the agency is [looking for incremental beds](#). CXW's North East Correctional facility has been in discussion, but now that facility might be leased by the state as [recent legislation](#) has moved in that direction.
- **Prop 57:** We continue to assume no impact from Prop 57 in our estimates, as it is unclear what if any impact it will have on CXW's out-of-state contracts. Instead, we account for Prop 57 risk in our discount rate, which is 50 bps higher than GEO's.
- **Estimates:** We now forecast 2016E AFFO per share of \$2.50 and adjusted EBITDA of \$409M, while 2017E moves up to \$2.03 and \$369M. Note that we are below guidance levels for 2017 as we assume all BOP contracts roll off upon renewal, a dynamic that may not materialize.

Valuation: We are raising our year-end 2017 price target \$6 to \$28, which is based on our discounted cash flow analysis that assumes a 9.0% cost of equity and continue to use a 2% terminal growth. We have lowered the discount rate by 100 bps used to calculate fair value: 50 bps from the external growth opportunity from the Trump administration and the removal of 50 bps of valuation discount previously applied for the pending dividend cut risk. Our \$28 PT implies an EV/ EBITDA multiple on 2017E estimates of 12.7x vs. the long-run average of 12.3x, which we think is reasonable in light of the potential growth profile from ICE. It implies an AFFO yield of 7.3%.

Canaccord Genuity is the global capital markets group of Canaccord Genuity Group Inc. (CF : TSX)

The recommendations and opinions expressed in this research report accurately reflect the research analyst's personal, independent and objective views about any and all the companies and securities that are the subject of this report discussed herein.

CoreCivic Inc. (CXW : BUY, \$28 PT)

Investment summary

Figure 1: CG vs. consensus estimates

		CG	Cons.	Var.
AFFO per share	4Q16	\$0.57	\$0.57	0%
	2016	\$2.50	\$2.50	0%
	2017	\$2.03	\$1.94	4%
Adjusted EBITDA (M)	4Q16	\$102	\$108	-5%
	2016	\$409	\$450	-9%
	2017	\$369	\$375	-2%

Source: SNL, FactSet, Canaccord Genuity estimates

What we like about CXW

- Prison Sector margins are best at owned properties, which make up the majority of CXW's portfolio. Given the stickiness of government contracts in the prison industry, we believe owned exposure drives the most value;
- We believe a Trump administration will encourage the further use of private companies for the provision of traditional corrections, especially with ICE;
- Many of the headwinds which previously kept us on the sidelines, including the viability of private operations, the STFRC renegotiation, the election, and the dividend cut, have either abated or completely evaporated; and,
- CXW pays out an attractive 6.8% common dividend yield, which we believe is both well covered and safe in the near- and medium-terms.

Potential concerns

- Elimination of family residential facilities, such as the South Texas Family Residential Facility (we estimate is now roughly 9% of 2017E Adj. EBITDA) is still a remote possibility given scrutiny in the past;
- With Proposition 57 passing, we believe CXW's out of state California beds could be at risk over the long term;
- Negative headline risk surrounding sentencing reform could negatively impact the stock's valuation; and,
- CXW's business is mostly centered upon the owned business. While we prefer this type of arrangement in the prison space, the company's lack of diversification adds risk to the business model.

Figure 2: Key assumptions and model sensitivity

	Bear	Base	Bull
2016 Revenue Growth	0.4%	3.0%	2.4%
2017 Revenue Growth	-17.3%	-4.3%	-2.8%
Incremental Beds Announced	0	0	0
2016 Normalized FFO	\$2.45	\$2.61	\$2.61
2017 Normalized FFO	\$1.27	\$2.15	\$2.32
2016 Recurring AFFO	\$2.34	\$2.50	\$2.73
2017 Recurring AFFO	\$1.14	\$2.03	\$2.47
Discount Rate	12.00%	9.00%	10.00%
Valuation by Scenario	\$9	\$28	\$29
Price Return	-64%	13%	17%
Implied P/AFFO Multiple at Valuation	7.9x	13.8x	11.7x

Source: Company reports, Canaccord Genuity estimates

Valuation

Our \$28 year-end 2017 price target is based on our discounted cash flow analysis, which assumes a 9.0% cost of equity and 2.0% terminal growth. Our valuation implies a 13.8x 2017E Recurring AFFO multiple.

Valuation methodology

Our \$28 year-end 2017 price target is based on our discounted cash flow analysis, which assumes a 9.0% cost of equity and 2.0% terminal growth. Our valuation implies a 13.8x 2017E Recurring AFFO multiple, which we believe is reasonable given the company's historical valuation and new external growth potential from the presidential election, compares to GEO's 12.0x implied 2017E Recurring AFFO multiple on GEO's \$38 PT, and the current valuations of CXW's comp set.

Figure 6: CXW NAV/share sensitivity to forward NOI

		Discount Rate								
		8.00%	8.25%	8.50%	8.75%	9.00%	9.25%	9.50%	9.75%	10.00%
Terminal Growth	0.0%	\$28.40	\$27.40	\$26.50	\$25.70	\$24.90	\$24.10	\$23.40	\$22.80	\$22.10
	0.5%	\$29.20	\$28.20	\$27.20	\$26.30	\$25.50	\$24.70	\$23.90	\$23.20	\$22.60
	1.0%	\$30.20	\$29.10	\$28.00	\$27.10	\$26.10	\$25.30	\$24.50	\$23.70	\$23.00
	1.5%	\$31.30	\$30.10	\$29.00	\$27.90	\$26.90	\$26.00	\$25.10	\$24.30	\$23.60
	2.0%	\$32.70	\$31.30	\$30.00	\$28.80	\$27.80	\$26.80	\$25.80	\$25.00	\$24.10
	2.5%	\$34.20	\$32.70	\$31.30	\$30.00	\$28.80	\$27.70	\$26.60	\$25.70	\$24.80
	3.0%	\$36.10	\$34.30	\$32.70	\$31.30	\$29.90	\$28.70	\$27.60	\$26.50	\$25.60
	3.5%	\$38.30	\$36.30	\$34.50	\$32.80	\$31.30	\$29.90	\$28.70	\$27.50	\$26.50
	4.0%	\$41.20	\$38.80	\$36.60	\$34.70	\$33.00	\$31.40	\$30.00	\$28.70	\$27.50

Source: Canaccord Genuity estimates

Prison investment risks

- Deterioration in per-diems and occupancy levels driven by increased levels of competitive supply or deteriorating demand would likely negatively impact valuation and investor sentiment.
- Secondary offerings are possible and often result in earnings dilution as REITs must distribute 90% of taxable income to shareholders by law.
- Expense pressure could cause NOI results to lag investor expectations.
- Development delays or cost overruns could materially impact near-term investor expectations.

Company description

CoreCivic Inc. is a REIT specializing in owning, operating and managing prisons and other correctional facilities and providing residential, community re-entry, and prisoner transportation services for governmental agencies. As of December 31, 2015, CCA owned or controlled 66 correctional and detention facilities and managed an additional 11 facilities owned by our government partners, with a total design capacity of approximately 88,500 beds in 20 states and the District of Columbia.

CXW balance sheet

Balance Sheet	2015	1Q16	2Q16	3Q16	4Q16E	2016E	1Q17E	2Q17E	3Q17E	4Q17E	2017E
Assets											
Cash and cash equivalents-unrestricted	65.3	56.3	70.8	42.7	61.9	61.9	38.7	48.5	65.1	80.4	80.4
Cash and cash equivalents-restricted	0.9	-	-	-	-	-	-	-	-	-	-
Notes and other current assets	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	\$66.2	\$56.3	\$70.8	\$42.7	\$61.9	\$61.9	\$38.7	\$48.5	\$65.1	\$80.4	\$80.4
Net PP&E	2,883.1	2,854.1	2,870.2	2,850.2	2,876.3	2,876.3	2,888.2	2,905.8	2,919.3	2,939.0	2,939.0
Accounts receivable, net of allowance	234.5	208.3	221.4	222.4	222.4	222.4	222.4	222.4	222.4	222.4	222.4
Current deferred tax assets	-	-	-	-	-	-	-	-	-	-	-
Prepaid expenses and other current assets	41.4	28.6	33.0	32.7	32.7	32.7	32.7	32.7	32.7	32.7	32.7
Assets held for sale	-	-	-	-	-	-	-	-	-	-	-
Investment in direct financing lease	0.7	-	-	-	-	-	-	-	-	-	-
Goodwill	35.6	35.0	38.4	38.4	38.4	38.4	38.4	38.4	38.4	38.4	38.4
Non-current deferred tax assets	9.8	8.9	7.8	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0
Other non-current assets	84.8	84.0	86.1	86.8	86.8	86.8	86.8	86.8	86.8	86.8	86.8
Total Assets	\$3,356.0	\$3,275.3	\$3,327.8	\$3,285.3	\$3,330.5	\$3,330.5	\$3,319.2	\$3,346.7	\$3,376.7	\$3,411.7	\$3,411.7
Liabilities											
Accounts payable and accrued liabilities	317.7	308.6	332.9	329.4	326.9	326.9	333.0	321.2	315.9	317.7	317.7
Income taxes payable	1.9	2.4	1.1	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6
Total Current Liabilities	\$319.6	\$311.0	\$334.0	\$331.1	\$328.5	\$328.5	\$334.6	\$322.9	\$317.5	\$319.3	\$319.3
Debt											
Senior Credit Term Loan	539.0	494.3	541.5	514.3	514.3	514.3	514.3	514.3	514.3	514.3	514.3
4.625% Senior Notes	350.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0
4.125% Senior Notes	325.0	325.0	325.0	325.0	325.0	325.0	325.0	325.0	325.0	325.0	325.0
5.0% Senior Notes	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0
6.25% Senior Notes	-	-	-	-	-	-	-	-	-	-	-
6.75% Senior Notes	-	-	-	-	-	-	-	-	-	-	-
7.75% Senior Notes	-	-	-	-	-	-	-	-	-	-	-
7.5% Senior Notes	-	-	-	-	-	-	-	-	-	-	-
Other Debt	-	-	-	-	-	-	-	-	-	-	-
New/Maturing Debt	-	-	-	-	-	-	(50.0)	(50.0)	(50.0)	(50.0)	(50.0)
Total Debt	1,464.0	1,419.3	1,466.5	1,439.3	1,439.3	1,439.3	1,389.3	1,389.3	1,389.3	1,389.3	1,389.3
Other non-current liabilities	109.7	98.6	82.6	70.8	70.8	70.8	70.8	70.8	70.8	70.8	70.8
Shareholders' Equity											
Common stock	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
Additional paid-in capital	1,762.4	1,763.7	1,768.3	1,776.5	1,776.5	1,776.5	1,776.5	1,776.5	1,776.5	1,776.5	1,776.5
Distributions in excess of accumulated earnings	-	-	-	-	-	-	-	-	-	-	-
Accumulated other comprehensive loss, net	(300.8)	(318.4)	(324.9)	(333.5)	(285.7)	(285.7)	(253.1)	(213.9)	(178.5)	(145.3)	(145.3)
Retained Earnings	-	-	-	-	-	-	-	-	-	-	-
Total Shareholders' Equity	\$1,462.7	\$1,446.5	\$1,444.6	\$1,444.2	\$1,491.9	\$1,491.9	\$1,524.6	\$1,563.8	\$1,599.2	\$1,632.4	\$1,632.4
Total Liabilities and Equity	\$3,356.0	\$3,275.3	\$3,327.8	\$3,285.3	\$3,330.5	\$3,330.5	\$3,319.2	\$3,346.7	\$3,376.7	\$3,411.7	\$3,411.7

Source: Company reports, Canaccord Genuity estimates

CXW Income statement – quarterly, with projections

Income Statement (\$ in millions)	2015	1Q16	2Q16	3Q16	4Q16E	2016E	1Q17E	2Q17E	3Q17E	4Q17E	2017E
Revenues											
Owned & Controlled Property Revenues	1,576.9	396.9	411.5	422.1	409.1	1,639.5	394.6	392.0	386.2	386.6	1,559.4
Managed Only & Other Revenues	216.1	50.5	51.9	52.8	52.5	207.7	51.3	52.3	52.8	52.5	209.0
Total Revenue	1,793.1	447.4	463.3	474.9	461.6	1,847.2	445.9	444.3	439.0	439.1	1,768.4
Y/Y Change	8.9%	5.0%	0.9%	3.3%	3.1%	3.0%	-0.3%	-4.1%	-7.6%	-4.9%	-4.3%
Expenses											
Owned & Controlled Property Expense	1,050.6	265.0	268.6	275.5	274.4	1,083.5	276.1	269.0	264.7	266.7	1,076.5
Managed Only & Other Expense	205.5	48.9	47.9	50.8	50.4	198.0	50.1	48.7	51.2	50.8	200.8
Operating Expenses	1,256.1	313.9	316.4	326.3	324.8	1,281.5	326.2	317.7	316.0	317.5	1,277.3
Property NOI Margin	29.9%	29.8%	31.7%	31.3%	29.6%	30.6%	26.8%	28.5%	28.0%	27.7%	27.8%
General and Administrative Expenses	103.9	26.5	27.4	27.7	26.5	108.1	25.4	25.3	25.0	25.5	101.2
% of Sales	5.8%	5.9%	5.9%	5.8%	5.8%	5.9%	5.7%	5.7%	5.7%	5.8%	5.7%
Other Expense	-	-	-	-	-	-	-	-	-	-	-
% of Sales	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Expenses	1,360.1	340.4	343.8	354.0	351.3	1,389.6	351.6	343.0	341.0	343.0	1,378.6
Consolidated EBITDA	433.0	\$107	\$120	\$121	\$110	457.6	\$94	\$101	\$98	\$96	389.8
Operating Cash Flow Margin	24%	23.9%	25.8%	25.5%	23.9%	25%	21.1%	22.8%	22.3%	21.9%	22%
Year-over-Year Growth	0.1	8.7%	1.2%	13.3%	0.4%	0.1	-11.8%	-15.2%	-18.9%	-12.8%	(0.1)
Depreciation and Amortization	151.5	42.1	42.3	42.9	40.1	167.4	36.9	37.0	37.1	37.2	148.1
% of Sales	8%	9.4%	9.1%	9.0%	8.7%	9%	8.3%	8.3%	8.4%	8.5%	8%
Operating Income	281.5	64.9	77.2	78.0	70.1	290.2	57.5	64.3	61.0	59.0	241.8
Operating Margin	16%	14.5%	16.7%	16.4%	15.2%	16%	12.9%	14.5%	13.9%	13.4%	14%
Year-over-Year Growth	5.0%	-7.0%	-3.2%	19.1%	5.4%	3.1%	-11.5%	-16.6%	-21.8%	-15.9%	-16.7%
Interest Income & Other	(0.6)	0.1	(0.1)	(0.1)	(0.0)	(0.2)	(0.0)	(0.0)	(0.1)	(0.1)	(0.2)
Interest Expense	(49.7)	(17.5)	(16.8)	(16.9)	(16.4)	(67.7)	(15.6)	(16.1)	(16.6)	(16.9)	(65.2)
Loss on Extinguishment of Debt	-	-	-	-	-	-	-	-	-	-	-
PreTax Income	231.2	47.5	60.2	61.0	53.6	222.3	41.8	48.2	44.4	42.0	176.3
Equity in losses of unconsolidated real estate partnerships	-	-	-	-	-	-	-	-	-	-	-
Gain on sale of real estate	-	-	-	-	-	-	-	-	-	-	-
Provision for income taxes	(8.4)	(1.2)	(2.7)	(1.6)	(3.5)	(8.9)	(3.5)	(3.5)	(3.5)	(3.5)	(14.0)
Other	(1.0)	-	-	(4.0)	-	(4.0)	-	-	-	-	-
Income From Continuing Operations	221.9	46.3	57.6	55.3	50.1	209.4	38.3	44.7	40.9	38.5	162.3
Income from discontinued operations, net	-	-	-	-	-	-	-	-	-	-	-
Net Income	221.9	46.3	57.6	55.3	50.1	209.4	38.3	44.7	40.9	38.5	162.3
Minority interests	-	-	-	-	-	-	-	-	-	-	-
Net Income to GEO	221.9	46.3	57.6	55.3	50.1	209.4	38.3	44.7	40.9	38.5	162.3
Dividends to preferred stockholders	-	-	-	-	-	-	-	-	-	-	-
Allocation to participating securities	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
Net Income to Common	221.9	46.3	57.6	55.3	50.1	209.4	38.3	44.7	40.9	38.5	162.3
Diluted Shares Outstanding	117.8	117.8	118.0	117.7	117.7	117.8	117.7	117.7	117.7	117.7	117.7
Net Income per Share	\$1.88	\$0.39	\$0.49	\$0.47	\$0.43	\$1.78	\$0.33	\$0.38	\$0.35	\$0.33	\$1.38
Net Margin	12.4%	10.4%	12.4%	11.7%	10.9%	11.3%	8.6%	10.1%	9.3%	8.8%	9.2%
Year-over-Year Growth	13.3%	-19.2%	-12.0%	9.3%	3.3%	-5.6%	-17.2%	-22.1%	-26.2%	-23.3%	-22.4%
Recurring Funds from Operations per Share	\$2.69	\$0.60	\$0.69	\$0.69	\$0.63	\$2.61	\$0.52	\$0.57	\$0.54	\$0.52	\$2.15
Year-over-Year Growth	1.8%	-11.0%	-7.2%	7.1%	-0.8%	-3.2%	-13.8%	-16.8%	-21.3%	-17.2%	-17.4%

Source: Company reports, Canaccord Genuity estimates

CXW FFO reconciliation (in millions)

Funds From Operations (FFO)	2015	1Q16	2Q16	3Q16	4Q16E	2016E	1Q17E	2Q17E	3Q17E	4Q17E	2017E
Basic Recurring Net Income	221.9	46.3	57.6	55.3	50.1	209.4	38.3	44.7	40.9	38.5	162.3
Depreciation and amortization	90.2	23.3	23.4	23.7	23.5	93.9	22.7	22.7	22.8	22.9	91.1
Gains not included in FFO, net of internal disposition costs	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
FFO	312.1	69.6	81.0	79.0	73.7	303.3	61.0	67.5	63.7	61.3	253.4
Diluted Shares Outstanding- EPS	117.8	117.8	118.0	117.7	117.7	117.8	117.7	117.7	117.7	117.7	117.7
Other	-	-	-	-	-	-	-	-	-	-	-
Diluted Comparative FFO Shares	117.8	117.8	118.0	117.7	117.7	117.8	117.7	117.7	117.7	117.7	117.7
Funds From Operations Per Share	\$2.65	\$0.69	\$0.69	\$0.67	\$0.63	\$2.57	\$0.52	\$0.57	\$0.54	\$0.52	\$2.15
Year-over-Year Growth	0.1%	-11.3%	-7.6%	8.0%	1.3%	-2.8%	-12.4%	-16.5%	-19.5%	-16.7%	-16.4%
One Time Adjustments	5.3	1.1	0.3	1.9	0.4	3.8	-	-	-	-	-
Diluted Shares	117.8	117.8	118.0	117.7	117.7	117.8	117.7	117.7	117.7	117.7	117.7
Normalized Funds From Operations Per Share	\$2.69	\$0.60	\$0.69	\$0.69	\$0.63	\$2.61	\$0.52	\$0.57	\$0.54	\$0.52	\$2.15
Year-over-Year Growth	1.8%	-11.0%	-7.2%	7.1%	-0.8%	-3.2%	-13.8%	-16.8%	-21.3%	-17.2%	-17.4%
Maintenance CapEx	(26.6)	(3.4)	(8.5)	(4.8)	(10.4)	(27.0)	(3.7)	(9.3)	(5.2)	(11.4)	(29.7)
Stock-based compensation	15.4	3.8	4.1	4.5	4.0	16.3	3.9	4.2	4.6	4.0	16.7
Amortization of debt costs and other	3.0	0.8	0.8	0.8	0.8	3.1	0.8	0.8	0.8	0.8	3.1
Other non-cash revenue and expenses	(0.1)	(0.0)	(1.2)	(1.8)	(1.8)	(4.9)	(1.8)	(0.9)	(0.9)	(0.9)	(4.6)
Recurring AFFO	309.0	72.0	76.4	79.6	66.6	294.7	60.1	62.1	62.9	53.8	239.0
Recurring AFFO per Share	\$2.62	\$0.61	\$0.65	\$0.68	\$0.57	\$2.50	\$0.51	\$0.53	\$0.53	\$0.46	\$2.03
Year-over-Year Growth	1.9%	-9.8%	-11.2%	6.8%	-2.9%	-4.7%	-16.5%	-18.5%	-21.0%	-19.2%	-18.8%
					1.23						1.21
Cash Available for Distribution (CAD)	2015	1Q16	2Q16	3Q16	4Q16E	2016E	1Q17E	2Q17E	3Q17E	4Q17E	2017E
Funds From Operations	\$317	\$71	\$81	\$81	\$74	\$307	\$61	\$67	\$64	\$61	\$253
Maintenance Capex	(26.6)	(3.4)	(8.5)	(4.8)	(10.4)	(27.0)	(3.7)	(9.3)	(5.2)	(11.4)	(29.7)
Other	18.3	4.6	3.6	3.5	2.9	14.6	2.8	4.0	4.5	3.9	15.2
Cash Available for Distribution	\$309	\$72	\$76	\$80	\$67	\$295	\$60	\$62	\$63	\$54	\$239
Average Diluted Shares Outstanding	117.8	117.8	118.0	117.7	117.7	117.8	117.7	117.7	117.7	117.7	117.7
CAD per Share to Common	\$2.62	\$0.61	\$0.65	\$0.68	\$0.57	\$2.50	\$0.51	\$0.53	\$0.53	\$0.46	\$2.03
Year-over-Year Growth	1.9%	-9.8%	-11.2%	6.8%	-2.9%	-4.7%	-16.5%	-18.5%	-21.0%	-19.2%	-18.8%
Dividend	\$2.16	\$0.54	\$0.54	\$0.54	\$0.42	\$2.04	\$0.42	\$0.42	\$0.42	\$0.42	\$1.68
CAD Dividend Coverage	82.3%	88.3%	83.4%	79.8%	74.2%	81.5%	82.2%	79.5%	78.6%	91.8%	82.7%

Source: Company reports, Canaccord Genuity estimates

CXW EBITDA reconciliation (in millions)

EBITDA Reconciliation	2015	1Q16	2Q16	3Q16	4Q16E	2016E	1Q17E	2Q17E	3Q17E	4Q17E	2017E
Net Income	221.9	\$46.3	\$57.6	\$55.3	\$50.1	\$209.4	\$38.3	\$44.7	\$40.9	\$38.5	\$162.3
Depreciation and amortization	151.5	42.1	42.3	42.9	40.1	167.4	36.9	37.0	37.1	37.2	148.1
General and administrative	103.9	26.5	27.4	27.7	26.5	108.1	25.4	25.3	25.0	25.5	101.2
Interest expense	50.3	17.5	16.9	17.0	16.5	67.9	15.6	16.1	16.7	17.0	65.4
Equity in earnings of affiliates, net of income tax provision	-	-	-	-	-	-	-	-	-	-	-
Income tax (benefit)/provision	8.4	1.2	2.7	1.6	3.5	8.9	3.5	3.5	3.5	3.5	14.0
Loss on extinguishment of debt	-	-	-	-	-	-	-	-	-	-	-
Net (income)/loss attributable to noncontrolling interests	-	-	-	-	-	-	-	-	-	-	-
(Income) loss from discontinued ops	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
Net Operating Income (NOI)	536.0	133.5	146.9	144.6	136.8	561.7	119.7	126.6	123.1	121.6	491.1
Less:											
General and administrative expenses	(103.9)	(26.5)	(27.4)	(27.7)	(26.5)	(108.1)	(25.4)	(25.3)	(25.0)	(25.5)	(101.2)
Loss on extinguishment of debt, pre-tax	-	-	-	-	-	-	-	-	-	-	-
Equity in earnings of affiliates, pre-tax	-	-	-	-	-	-	-	-	-	-	-
Other	(0.6)	0.1	(0.1)	(0.1)	(0.0)	(0.2)	(0.0)	(0.0)	(0.1)	(0.1)	(0.2)
EBITDA	431.4	107.1	119.4	116.8	110.2	453.5	94.3	101.3	98.0	96.1	389.6
Adjustments:											
Net income attributable to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-
Stock based compensation expenses, pre-tax	-	-	-	-	-	-	-	-	-	-	-
Depreciation associated with STFR	(29.9)	(10.6)	(10.6)	(10.7)	(6.7)	(38.6)	(4.2)	(4.2)	(4.2)	(4.2)	(16.6)
Interest expense associated with STFR	(8.5)	(2.9)	(2.7)	(2.5)	(1.8)	(9.8)	(1.6)	(1.6)	(1.6)	(1.6)	(6.4)
Other	5.3	1.1	0.3	2.1	0.4	4.0	0.5	0.5	0.5	0.5	2.0
Adjusted EBITDA	398.4	94.7	106.4	105.7	102.1	409.0	89.0	96.0	92.8	90.8	368.6
Year-over-Year Growth	3.3%	-3.8%	-0.9%	11.5%	4.6%	2.7%	-6.0%	-9.8%	-12.3%	-11.1%	-9.9%

Source: Company reports, Canaccord Genuity estimates

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Investment Recommendation

Date and time of first dissemination: December 12, 2016, 04:58 ET

Date and time of production: December 12, 2016, 04:58 ET

Target Price / Valuation Methodology:

CoreCivic, Inc. - CXW

Our \$28 year-end 2017 price target is based on our discounted cash flow analysis, which assumes a 9.0% cost of equity and 2.0% terminal growth.

Risks to achieving Target Price / Valuation:

CoreCivic, Inc. - CXW

1. Deterioration in per-diems and occupancy levels driven by increased levels of competitive supply or deteriorating demand would likely negatively impact valuation and investor sentiment.
2. Secondary offerings are possible and often result in earnings dilution as REITs must distribute 90% of taxable income to shareholders by law.
3. Expense pressure could cause NOI results to lag investor expectations.
4. Development delays or cost overruns could materially impact near-term investor expectations.

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Global Stock Ratings (as of 12/12/16)

Rating	Coverage Universe		IB Clients
	#	%	%
Buy	576	60.63%	35.76%
Hold	281	29.58%	17.79%
Sell	29	3.05%	20.69%
Speculative Buy	64	6.74%	73.44%
	950*	100.0%	

*Total includes stocks that are Under Review

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